



## COMBE FILL CORPORATION

P.O. Box 418, Chester, N.J. 07930 201/879-7902

June 24, 1981

Mr. Frank Schimmenti  
155 Kanouse Street  
Boonton, New Jersey 07005

Dear Mr. Schimmenti:

In 1978 Combe Fill Corp. purchased two active landfills located in Morris County. These landfills were in operation for periods ranging from 10 to 30 years prior to the purchase and as such, a substantial liability was assumed at the time of transfer. In the years that followed, Combe Fill Corp. experienced a wide array of difficulty associated with the operation of these facilities. This issue will be resolved in the Superior Court of Morris in the fall of 1981. Despite these difficulties, the management of Combe Fill Corp. has made tremendous strides in developing a sound solid waste disposal system.

In July of 1980, 54 weeks after the May 1979 filing for a rate increase before the Board of Public Utilities, Combe Fill Corp. received a raise in its disposal rate from \$.75 per cubic yard at Chester and \$.95 per cubic yard at Mt. Olive to \$1.05 per cubic yard at both facilities. This was the first rate increase since the original tariff was filed by our predecessors in 1973. Concurrent with this adjustment, Combe Fill Corp. successfully completed a rate consolidation of our tariff. This was the first rate averaging system implemented in New Jersey in conformance with N.J.A.C. 13:1E et seq. After implementation of the aforementioned adjustment, Combe Fill Corp. experienced a decrease in volume delivered, which countered the additional revenue provided by the adjustment.

Subsequently Combe Fill Corp. realized the need to have a guaranteed waste stream to produce revenue to repay debt capital and cover operating costs. Without a minimum continuous flow of solid waste to the facility, expected income will fall short of project costs and the project viability will be jeopardized. As a result, the County was required by the Department of Environmental Protection to establish a waste stream control system which would provide for municipalities to cause solid waste to be delivered to specific facilities. Until waste can be directed to environmentally sound sanitary landfills, the waste stream will "flow" to the cheapest facility or will be disposed of at illegal sites.

Combe Fill Corp. has pursued solid waste control as the fundamental method for success of its venture and has applied for a franchise as part of its recent rate application before the Board of Public Utilities, the terms of which will be consistent with the Solid Waste Management Plan for the County of Morris. Subsequently, the Board of Public Utilities has requested that the Morris County Solid Waste Advisory Council confirm their endorsement in writing of the request of Combe Fill Corp. for an exclusive franchise for Morris County.

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Combe Fill Corp. thereby requests that the Morris County Solid Waste Advisory Council evaluate the advantages of this request and respond to the request of the Board of Public Utilities prior to or during our Public Hearing scheduled for August 17, 1981 in Morristown. Should you have any questions, I am available to discuss this issue at length at any time.

Very truly yours,

COMBE FILL CORP.

  
Gary A. Molchan  
Vice President

GAM/ejj

cc: Patricia J. Maynard, Freeholder Director  
Walter J. Luger, Freeholder  
Kenneth Gallagher, Solid Waste Coordinator